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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 000303

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NEA FOR FRONT OFFICE. NSC FOR ABRAMS/SINGH/PASCUAL

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TAGS: PBTS IS PHUM KWBG

SUBJECT: MUNICIPAL CONSTRUCTION IN EAST JERUSALEM:
FIVE-STEP PROCESS FROM EMPTY LOT TO FINISHED BUILDING

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

¶11. (C) SUMMARY: Construction in East Jerusalem on public land is approved through a five-step process which, depending on the plan's size, complexity, and political sensitivities can take several years to complete. Building plans require approval by both a local and regional committee, a 60-day public review period and final board approval, publishing and awarding of tenders and finally issuance of construction permits. The GOI reserves the right to not award tenders in Jerusalem, even to the highest bidder. Recent announcements and headlines on East Jerusalem construction are plotted on this approval timeline septel. (NOTE: All of the procedures described below apply in all parts of the expanded Jerusalem Municipality. END NOTE) END SUMMARY.

Step One: Local Board

¶12. (C) The first step in East Jerusalem construction on public land is filing a development plan with the Jerusalem land planning board, a subcommittee of the city council headed by the Deputy Mayor. This is the first point when a plan becomes publicly known. Approval at the local planning committee typically takes several months but can take up to two years, depending on the size and complexity of the proposal. The local board only considers the feasibility and appropriateness of the plan, not the land's legal status. Legal challenges to the status of the land can be made at any stage, but only an injunction by the Israeli High Court of Justice can stop the approval process. (Note: a development plan will only be accepted if part of an approved town plan; while all Israeli neighborhoods in East Jerusalem have town plans, most Palestinian neighborhoods do not, making new construction for Palestinians legally impossible in many cases. End note).

Step Two: Regional Board

¶13. (C) From the Municipal planning board, the plan goes to the regional land planning board for secondary approval. This is typically a quicker, "rubber stamp" approval of the local board's decision without substantial debate or additional inquiry.

Step Three: Public Review and Final Approval

¶14. (C) After approval by both local and regional boards, the plan is deposited for public review for 60 days, and is required to be published in Hebrew and Arabic newspapers. After the 60-day review, the plan returns to the local board. Members of the public can attend the local board's final approval meeting to air concerns or objections to the plan.

The local board will then approve the plan, approve it with changes, or disapprove it.

Step Four: Tenders

¶5. (C) After final approval, the Israel Land Administration (ILA) or the Ministry of Construction and Housing (MOCH) issues public tenders for the land within the approved plan, usually in phases or blocks. Tenders will be announced, typically with a deadline of six weeks, and information, phone hotlines, and tours will be facilitated for bidding contractors. Following the deadline, the MOCH or ILA will typically take one month to select a winning contractor and award the bid. (Note: The process planning approval on private land in East Jerusalem omits the tendering stage. End Note).

¶6. (C) Jerusalem tender announcements usually contain an escape clause in which the ILA notes its right to "accept any offer or reject all offers, including the highest." The ILA can thus legally "let the clock run out" without accepting an offer (effectively suspending the construction plan) if it chooses to.

Step Five: Contracts and Building Permits

¶7. (C) The winning bidder must sign construction contracts and secure financial guarantees for the project within 60 days after tender award, and then apply for all required building permits from the Jerusalem municipality, a process that can take up to another year. With permits in hand, construction crews break ground, with completion required

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within three years of the contract signing date. (Note: nearly all Municipal building permits are for Israeli construction; only a handful of permits are issued for Palestinians each year, due to legal restrictions, prohibitive costs or political objections. End note).

Case Study: The 307 Har Homa Units

¶8. (C) The 307 units at Har Homa/Jebel Abu Ghneim announced just after Annapolis were part of Plan 5053A plan originally approved with the Jerusalem local planning board during the 1990's (step one). After approval at the local and regional levels (step two), and following the 60-day review period it received final approval as Plan 5053A on March 30, 1997 (step three) and was subsequently amended as "Plan 7509" on March 13, 2003. On December 4, 2007 the ILA published a tender (step four) for part of Plan 7509 that contained the 307 units, listing a January 13, 2008 deadline for bidding. On February 13, 2008 the ILA awarded the tenders, and the development plan will now move into the final phase of contracting and permits (step five), after which construction will commence.

WALLES